

1500 K Street N.W.
Suite 1100
Washington, DC
20005-1209

202-842-8800
202-842-8465 FAX
www.dbr.com

PHILADELPHIA
WASHINGTON
BERWYN
NEW YORK

DrinkerBiddle&Shanley LLP
PRINCETON
FLORHAM PARK

May 8, 2001

VIA ELECTRONIC FILING

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 Twelfth Street, S.W., Room TW- A325
Washington, D.C. 20554

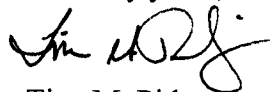
RE: CC Docket 96-45
Erratum to Reply Comments of General Communication, Inc.
State of Alaska Petition for Waiver, DA 01-584

Dear Ms. Salas:

On May 7, 2001, General Communication, Inc. ("GCI") submitted reply comments in the referenced proceeding. By this letter, GCI adds parties to the service list that were inadvertently omitted from the original service list and provides a copy of the reply comments to those parties.

Any questions regarding the foregoing should be addressed to the undersigned.

Sincerely yours,


Tina M. Pidgeon

Enclosure

cc: Attached Service List

CERTIFICATE OF SERVICE

I, Tina M. Pidgeon, certify that a copy of the foregoing Erratum to Reply Comments of General Communication, Inc. was mailed by first-class mail, postage pre-paid, on this 8th day of May, 2001 to each of the following individuals or entities (unless otherwise indicated):

The Honorable Michael K. Powell*
Chairman
Federal Communications Commission
445 Twelfth Street, S.W.
Room 8-B201
Washington, DC 20554

The Honorable Susan Ness*
Commissioner
Federal Communications Commission
445 Twelfth Street, S.W.
Room 8-B115
Washington, DC 20554

The Honorable Harold W. Furchtgott-Roth*
Commissioner
Federal Communications Commission
445 Twelfth Street, S.W.
Room 8-A302
Washington, DC 20554

The Honorable Gloria Tristani*
Commissioner
Federal Communications Commission
445 Twelfth Street, S.W.
Room 8-C302
Washington, DC 20554

Dorothy Attwood*
Chief
Common Carrier Bureau
Federal Communications Commission
445 Twelfth Street SW
Room 5-C450
Washington, D.C. 20554

Ellen Blackler*
Special Assistant to Bureau Chief
Common Carrier Bureau
Federal Communications Commission
445 Twelfth Street SW
Room 5-C413
Washington, D.C. 20554

Sheryl Todd*
Accounting Policy Division
Common Carrier Bureau
Federal Communications Commission
445 Twelfth Street SW
Room 5-A422
Washington, D.C. 20554

Cheryl L. Parrino, CEO
Universal Service Administrative Company
583 D'Onofreo Drive
Suite 201
Madison, WI 53719

Kate Moore, President
Schools & Libraries Division
Universal Service Administrative Company
2120 L Street, N.W.
Suite 600
Washington, D.C. 20037

Robert M. Halperin
CROWELL & MORING LLP
1001 Pennsylvania Avenue, N.W.
Washington, D.C. 20004-2595

John W. Katz, Esq.
Special Counsel to the Governor
Director, State-Federal Relations
Office of the State of Alaska
444 North Capitol Street, N.W.
Suite 336
Washington, D.C. 20001

ITS*
1231 20th Street, N.W.
Washington, DC 20037

Lawrence E. Sarjeant
Linda L. Kent
Keith Townsend
John W. Hunter
Julie E. Rones
United States Telecom Association
1401 H Street, N.W., Suite 600
Washington, DC 20005

David W. Zesiger
Executive Director
The Independent Telephone and
Telecommunications Alliance
1300 Connecticut Avenue, N.W.
Suite 600
Washington, DC 20036

Karen Brinkmann
Richard R. Cameron
Jeffrey A. Marks
LATHAM & WATKINS
555 Eleventh Street, N.W.
Suite 1000
Washington, DC 20004-1304
Attorneys for the Independent
Telephone and Telecommunications
Alliance

James Rowe, Executive Director
Alaska Telephone Association
201 E. 56th
Suite 114
Anchorage, Alaska 99518

Mark R. Hamilton, President
University of Alaska Statewide System
202 Butrovich Bldg.
P.O. Box 755000
Fairbanks, Alaska 99775-5000

Steve Hamlen, President/CEO
United Utilities, Inc.
5450 A Street
Anchorage, AK 99518-1291


Tina M. Pidgeon

* Via Hand Delivery

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Federal State Joint Board on)	
Universal Service)	CC Docket No. 96-45
)	
Petition for Waiver for the)	
Utilization of Schools and Libraries)	
Internet Point-of-Presence in)	
Rural Remote Alaska Villages Where)	
No Local or Toll-Free Access Exists)	

REPLY COMMENTS OF GENERAL COMMUNICATION, INC.

General Communication, Inc. ("GCI"), by its undersigned attorney, submits this limited reply to the comments filed regarding the Petition for Waiver and request for declaratory ruling submitted by the State of Alaska on January 29, 2001 ("Petition").¹ The State of Alaska ("State") seeks a waiver of Commission rules to permit the use of Internet service received by rural school district and libraries pursuant to the "E-rate" program by other residents in remote rural Alaskan communities under limited and strictly-defined circumstances.

I. INTRODUCTION

Numerous comments from individual and organizations in Alaska confirm the unmet need for Internet service in rural Alaska, as described by the State in its Petition. On the other hand, organizations representing incumbent local exchange carriers ("ILECs"), including the Alaska Telephone Association ("ATA"), the United States Telecom Association ("USTA"), and

¹ Public Notice, CC Docket No. 96-45, "State of Alaska Seeks a Declaratory Ruling and Waiver of Section 54.504(b)(2)(ii) of the Commission's Rules; Pleading Cycle Established," DA 01-584 (rel. Mar. 7, 2001).

Independent Telephone & Telecommunications Alliance (“ITTA”) oppose the Petition on factual, legal and policy grounds.

GCI continues to support the State’s Petition and does not believe that the ILECs have presented any valid basis to reject the Petition. GCI’s reply specifically addresses those criticisms of the State’s proposal raised by these parties regarding provision of Internet service in rural Alaska. As stated in its initial comments, GCI provides Internet service to approximately 139 schools in remote rural Alaska communities that would be the beneficiaries of the waiver requested by the State. Thus, GCI has first-hand experience with these issues and, based on this experience, strongly disagrees with the positions taken by the ILEC groups.

GCI disagrees with the ATA that the Petition rests on a factually incorrect premise regarding the service that schools obtain from GCI. In fact, ATA is incorrect regarding the services schools are purchasing. GCI does agree with ATA that the private sector is meeting the demand for Internet service in most of rural Alaska. While that fact is not a sufficient basis to deny the Petition, GCI agrees with ATA and ITTA that the granting of the Petition should not create obstacles to further expansion of Internet services by the private sector.

II. DISCUSSION

The ATA asserts that the State’s Petition is based on the inaccurate factual premise that schools are purchasing a “Packet-Based Satellite Deliver Service,” rather than a “pipe,” from GCI. Thus, ATA claims, there is no capacity that is “lying fallow” when not used by the school.

It is the ATA, not the State, that is wrong regarding the service that schools are receiving from GCI. The schools are not purchasing GCI's Packet-Based Satellite Delivery Service.² Instead, the schools purchase access to the GCI Internet platform at a given port speed that is available 24 hours a day, 7 days a week. The schools are also buying circuits (either local circuits or through Very Small Aperture Satellite ("VSAT") earth stations) with sufficient capacity to access that port. Therefore, there is indeed a circuit "lying fallow" when the school is not accessing the Internet and there is Internet capacity available at the end of that circuit.

Furthermore, even if ATA were correct that the schools were purchasing a packet-based satellite delivered service,³ ATA's conclusions regarding the significance to the State's underlying arguments are incorrect. The packet-based service may not be a dedicated circuit. However, the packet-based service is provided at a fixed price that is not usage sensitive. Thus, the packet-based service does meet the condition proposed by the State that "the service used by the school district or library are sold by the service provider on the basis of a price that is not usage sensitive." (Petition, p. 2) The packet-based service is simply another example of a service, in addition to a dedicated circuit, which would meet the standard proposed by the State. The packet-based service would be available for use by others when not used by the school, and such usage after hours would not increase costs to the school or the universal service fund.⁴

² ATA's confusion may result from the fact that several Rural Health Care Providers do purchase the Packet-Based Satellite Deliver Service from GCI pursuant to the Rural Health Care Program.

³ Some schools may change to this type service in the future.

⁴ In this situation, the service to the community "after-hours" would use capacity that would otherwise be available to GCI on its system. For that reason, perhaps the provider of service to the schools should be allowed to object to the use of its system for "after-hours" usage. At this time, GCI has no such objection.

The ATA also asserts that the private sector has accomplished much and will accomplish more in providing Internet service to rural Alaska, without waivers such as requested by the State. (ATA, pp. 2-3) The ITTA argues that grant of the Petition could remove all incentive for private carriers to expand facilities to bring Internet service to the rural Alaska villages. (ITTA, p.8.)

GCI generally agrees with the ATA that private sector efforts will meet the needs for Internet service in most rural Alaskan communities. However, that is not a valid basis for rejecting the petition. There may be communities that, because of various factors, will not attract a private Internet provider in the near future and that would benefit from granting the State's Petition.

At the same time, as suggested by ITTA's comments, granting of the Petition should include conditions to ensure that the provision of local Internet service through the school, as allowed by the waiver, does not become an obstacle to further provision of service by the private sector. The Petition includes the condition that "no toll-free or local dial-up Internet access service is otherwise available to the community," and the Petition also states that that services would be phased out once such access becomes available. (Petition, p. 2, 14.) GCI believes that the circumstance under which the service through the school must be phased out should be clarified and included as a condition of the grant of a waiver.

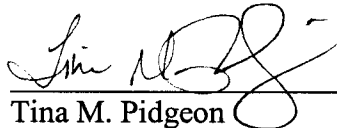
Specifically, GCI suggests that the Commission require any school or library that allows use of its system, as permitted by the waiver, to terminate such usage within 90 days after receipt of notice from a private ISP that dial-up Internet service is available in the community at a rate no higher than the higher of: 1) a rate comparable to that charged in other rural Alaska communities; or 2) double the rate charged for Internet service provided through the school

pursuant to the waiver. Where service now exists in rural Alaska, the rates are only slightly higher than many urban markets, while payment of twice the rate for full time service rather than service limited to evenings, weekends, and summers seems reasonable.

III. CONCLUSION

GCI continues to support the State of Alaska Petition for Waiver. The comments filed in this matter fully support the need for the waiver, while none of the comments present any valid basis for rejecting the Petition. At the same time, GCI urges the Commission to establish explicit conditions to ensure that the grant of the waiver does not result in the creation of obstacles to the expansion of Internet service by the private sector.

Respectfully submitted,



Tina M. Pidgeon
DRINKER BIDDLE & REATH LLP
1500 K Street, N.W., Suite 1100
Washington, D.C. 20005
(202) 842-8812
(202) 842-8465 FAX

Attorney for
GENERAL COMMUNICATION, INC.

Dated: May 7, 2001

CERTIFICATE OF SERVICE

I, Tina M. Pidgeon, hereby certify that on this 7th day of May, 2001 a copy of the foregoing Reply Comments was served by first-class mail, postage pre-paid upon each of the following parties:

Lawrence E. Sarjeant
Linda L. Kent
Keith Townsend
John W. Hunter
Julie E. Roncs
United States Telecom Association
1401 H Street, N.W., Suite 600
Washington, DC 20005

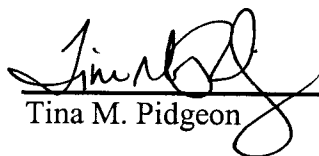
David W. Zesiger
Executive Director
The Independent Telephone and
Telecommunications Alliance
1300 Connecticut Avenue, N.W.
Suite 600
Washington, DC 20036

Karen Brinkmann
Richard R. Cameron
Jeffrey A. Marks
LATHAM & WATKINS
555 Eleventh Street, N.W.
Suite 1000
Washington, DC 20004-1304
Attorneys for the Independent Telephone
and Telecommunications Alliance

James Rowe, Executive Director
Alaska Telephone Association
201 E. 56th
Suite 114
Anchorage, Alaska 99518

Mark R. Hamilton, President
University of Alaska Statewide System
202 Butrovich Bldg.
P.O. Box 755000
Fairbanks, Alaska 99775-5000

Steve Hamlen, President/CEO
United Utilities, Inc.
5450 A Street
Anchorage, AK 99518-1291


Tina M. Pidgeon